

Message Text

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ORIGIN XMB-04

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FM SECSTATE WASHDC

TO AMEMBASSY SAN JOSE

UNCLAS STATE 273972

E.O. 11652: NA

TAGS: APUBN CS

SUBJ: PRESS RELEASE ON EXIMBANK CREDIT TO COSTA RICA

FOL IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE
DIRECT CREDIT OF DOL2,253,300 TO OLYMPIC FIBERS, S.A. OF SAN
JOSE. RELEASE IS SCHED FOR ANNOUNCEMENT HERE IN WASH, D.C.
FOR A.M. PAPERS, TUESDAY, DEC 24, 1974.

QTE: EXIMBANK CREDIT OF DOL 2,253,300 SUPPORTS DOL7.5 MILLION
SALE OF US EQUIP FOR POLYESTER PLANT IN COSTA RICA

TO HELP FINANCE A DOL7,511,000 SALE OF US GOODS AND SERVICES
REQUIRED FOR THE CONSTRUCTION OF A PLANT TO MANUFACTURE
POLYESTER FIBER IN COSTA RICA, THE BOARD OF DIRECTORS OF THE
EXPORT-IMPORT BANK OF THE UNITED STATES HAS AUTHORIZED A DIRECT
CREDIT OF DOL2,253,300 TO FINANCE 30PERCENT OF THE TOTAL US
COSTS, ACCORDING TO EXIMBANK'S CHAIRMAN WILLIAM J. CASEY. A
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CREDIT OF DOL4,506,600 FROM PRIVATE SOURCES NOT YET DESIGNATED WILL

FINANCE 60PERCENT OF THE US COSTS. THE OBLIGOR, OLYMPIC FIBERS, S.A. OF SAN JOSE, WILL MAKE CASH PAYMENT OF THE BALANCE OF THE US COSTS OF 10PERCENT OF DOL751,100.

CHEMTEX, INC. OF NEW YORK CITY, HAS A PRIME CONTRACT TO CONSTRUCT THE NEW 6.5 MT/DAY POLYESTER FIBER PLANT WHICH WILL HAVE A TOTAL ESTIMATED COST OF OVER DOL10 MILLION. THE PLANT WILL PRODUCE DRAWTEXTURED AND DRAWTWISTED POLYESTER FILAMENT YARN STARTING FROM DIMETHYL TEREPHTHALATE ACID AND ETHYLENE GLYCOL. CHEMTEX WILL ALSO PROVIDE CONTINUING TECHNICAL ASSISTANCE TO THE PLANT FOR A PERIOD OF 5 YEARS AFTER STARTUP. US PURCHASES INCLUDE POLYESTER CHIP PREPARATION UNITS, ELECTRIC POWER GENERATORS, STEAM GENERATORS, REFRIGERATION AND AIR CONDITIONING UNITS, DRAWTEXTURIZERS, INSTRUMENTATION, PIPING, AND TECHNICAL SERVICES.

THE LOANS ARE TO BE REPAID IN 16 SEMIANNUAL INSTALLMENTS BEGINNING FEB 10, 1977. EXIMBANK'S DIRECT CREDIT OF DOL2,253,300 WILL BE REPAID OUT OF THE LAST 6(INSTALLMENTS AT AN INTEREST RATE OF 8PERCENT PER ANNUM, WHICH WHEN BLENDED WITH THE PORTION OF THE CREDIT FROM THE PARTICIPAING COMMERCIAL BANK, RESULTS IN AN ESTIMATED INTEREST COST TO THE BORROWERR, BASED ON CURRENT RATES, OF ABOUT 9.5 PERCENT PER ANNUM. UNQTE INGERSOLL

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